

# **WINE CONSUMERS' INVOLVEMENT AND BRAND RISK PERCEPTION: EFFECTS ON CONSUMERS' CRITERIA FOR WINE EVALUATION, LABEL PREFERENCE AND WILLINGNESS TO PAY**

Edith Rüger-Muck, University of Applied Science Ludwigshafen, Germany  
Johan Bruwer, University of South Australia, Australia and Stellenbosch University,  
South Africa

Anne Lena Wegmann, University of Applied Science Ludwigshafen, Germany

**Keywords:** Perceived brand risk, Product involvement, Wine evaluation, Label preference, Willingness to pay

## **Introduction**

The global wine industry is a fragmented market with numerous small players and only a few big “brands” (e.g. Gallo). Many consumers feel uncertain, and discouraged to approach the product category wine. This results as well from additional factors e.g. new wine producing nations, many different wine grape varieties, and the importance of expert opinions for the evaluation of wine quality etc. Thus, in comparison to other consumer goods wine is different (Heslop, Cray & Armenakyan, 2010). Moreover, for the German wine market wine consumers are even more uncertain as the German classification system is not well known and perceived as complex. According to a qualitative pre-study for the German market with wine experts this has negative effects as well on the involvement of consumers to shop for wine and their perceived risk to buy a wrong brand (Wegmann, 2018).

## **Literature review**

Recent literature focused on generic wine industry risks' and, on consumers' “risk perception” during the purchase decision as a determinant for willingness-to-pay. Moreover, risk perception research has focused on the development of risk-reduction strategies. In this study, we set a focus on “brand risk” defined as the perceived risk of a person to decide for a certain product instead of a different one (Mittal & Lee (1989). In addition, the construct “involvement” has been examined and its effect to visit a wine tourist destination or a winery. It has been studied as well as a predictor for purchase intention.

In recent literature, consumers' experience different levels of involvement and brand risk when they buy wine. Some studies show a positive relationship of the wine knowledge on the involvement level and a negative on the experienced brand risk. The studies of Lockshin et. al (2006) and Hollebeek et. al (2007) demonstrated a positive effect of customer involvement on the accepted price level.

Additionally, the reason(s) for wine consumption (e.g. restaurant) and wine purchase occasion (e.g. gift) can also have impact on involvement and brand risk.

There are no studies on the German wine market so far that have examined “product involvement” and “brand risk” on wine consumers' accepted price level (willingness-to-pay). In addition, the influence of both constructs on the criteria to judge wine quality and the preferred wine label have not been analyzed.

## **Research purpose**

This study aims to examine the relationship between wine consumers' involvement and brand risk and their preference for a wine label including their criteria for wine quality and accepted price level. It is f. ex. of interest to us whether consumers with a high brand risk prefer more conservative wine labels as the pre-study results indicate. Furthermore, the relationship between wine knowledge as a possible predictor on product involvement and brand risk is studied. The research also examines different wine purchase and consumption occasions as well as age and gender effects on brand risk and product involvement.

### **Research methodology**

Data was collected by a German online panel provider using a self-administered questionnaire. The dataset includes 745 respondents within Germany who all drink wine at least once a month. The sample composition is 52% male and 48% female and inclusive of the different age cohorts (18-29, 30-39, 40-49, 50-59, above 60 years). Each age cohort represents about 20% of respondents. 50% were living in and 50% outside a wine region. The reason for selecting consumers in and outside of German wine regions is based on the results of a qualitative pre-study with focus groups of German wine experts (Wegmann, 2018). In their opinion consumers' brand risk and involvement for wine purchase might differ as wine consumers in wine regions might be more knowledgeable about wine, visit wineries more often, are more familiar with wine brands and have therefore a higher involvement and lower brand risk perception when purchasing wine.

### **Preliminary findings**

Preliminary findings show that wine knowledge has an influence on involvement and brand risk. A significant relationship between product involvement and brand decision for consumers' willingness-to-pay also exists. Further investigations will determine how different levels of involvement and brand risk influence wine drinkers' label preference, criteria for wine evaluation and acceptable price level. The role of involvement and brand risk on price, preferred label and criteria for wine evaluation will be examined between sub-groups (gender, age, wine knowledge).

### **Conclusions and recommendations**

The findings have important theoretical and practical implications. It is the first German study to analyze the role of involvement and brand risk and their effects on criteria for wine quality evaluation, wine label and price. This makes cross-cultural international comparison possible. Study results about consumers' dimensions for wine quality criteria, label preferences and price acceptance should be of interest to wine marketers, based on different degrees of involvement and brand risk.

## References

- Atkin, T. & Johnson, R. (2010). Appellation as an indicator of quality. *International Journal of Wine Business Research*, 22 (1), 42-61.
- Bedek, Z. & M. Njavaro (2015). Strategic risk management in the Croatian wine industry upon EU accession. *New Medit* 14 (1), 53-60.
- Bruwer, J. & J., Arias, A.P.P. Arias & J. Cohen (2017): Restaurants and the single-serve wine by-the-glass conundrum: risk perception and reduction effects. *International Journal of Hospitality Management*, 62, 43-52.
- Bruwer, J., Fong, M. & A. Saliba (2013). Perceived risk, risk-reduction strategies (RRS) and consumption occasions: roles in the wine consumer's purchase decision. *Asia Pacific Journal of Marketing and Logistics*, 25 (3), 369-390.
- Fountain, J. & G. Ryan (2016). Motivations to attend a New Zealand wine and food festival: The role of involvement. 9th Academy of Wine Business Research Conference, 17-19 (February), 563-571.
- Gil, J. M. & Sánchez, M. (1997). Consumer preferences for wine attributes: a conjoint approach. *British Food Journal*, 99 (1), 3-11.
- Gu, O., Zhang, H.O., King, B. & Songshan (Sam) Huang (2017). Wine tourism involvement: a segmentation of Chinese tourists. *Journal of Travel & Tourism Marketing*. DOI: 10.1080/10548408.2017.1401031
- Guidry, J. A., Babin, B. J., Graziano, W. G. & Schneider, W. J. (2009). Pride and prejudice in the evaluation of wine? *International Journal of Wine Business Research*, Vol. 21 (4), 298-311.
- Heslop, L. A., Cray, D. & Armenakyan, A. (2010). Cue incongruity in wine personality formation and purchasing. *International Journal of Wine Business Research*, 22 (3), 288-307.
- Hollebeek, L. D., Jaeger, S. R., Brodie, R. J. & Balemi, A. (2007). The influence of involvement on purchase intention for new world wine. *Food Quality and Preference*, 18 (8), 1033-1049.
- Jarvis, W. & Rungie, C. (2002). A better understanding of the wine consumer, using an analysis of „real “purchase data. *Wine Industry Journal*, 17 (4), 87-92.
- Johnson, R. & Bruwer, J. (2007). Regional brand image and perceived wine quality: the consumer perspective. *International Journal of Wine Business Research*, 19 (4), 276-297.
- Lecat, B., Le Fur, E. & J. F. Outreville (2016). Perceived risk and the willingness to buy and pay for “corked” bottles of wine. *International Journal of Wine Business Research*, 28 (4).
- Lockshin, L. S., Spawton, A. L. & Macintosh, G. (1997). Using product, brand and purchasing involvement for retail segmentation. *Journal of Retailing and Consumer Services*, 4 (3), 171-183.

- Mittal, B. & Lee, M.-S. (1989). A causal model of consumer involvement. *Journal of Economic Psychology*, 10 (3), 363-389.
- Mtimet, N. & Albisu, L. M. (2006). Spanish Wine Consumer Behavior: A Choice Experiment Approach. *Agribusiness*, 22 (3), 343-362.
- Nesselhauf, L., Decker, J. S. & R. Fleuchhaus (2017). Information and involvement: the influence on the acceptance of innovative wine packaging. *International Journal of Wine Business Research*, 29 (3), 285-298.
- Neuninger, R., Mather, D., Duncan, T. & R. Aitken (2014). Questioning the way that we measure consumers' product involvement levels. How wine awards exposed differing involvement levels. *Anzmac Conference*, 1-7.
- Sánchez, M. & Gil, J. M. (1997). A Conjoint Analysis of Quality Wine. *Journal of Food Products Marketing*, 4 (2), 63-78.
- Sánchez, M. & Gil, J. M. (1998). Consumer Preferences for Wine Attributes in Different Retail Stores: A Conjoint Approach. *International Journal of Wine Marketing*, 10 (1), 25-38.
- Schooler, R. D. (1965). Product Bias in the Central American Common Market. *Journal of Marketing Research (JMR)*, 2 (4), 394-397.
- Taylor, J. J., Bing, M., Reynolds, D., Davison, K. & T. Ruetzler (2018). Motivation and personal involvement leading to wine consumption. *International Journal of Contemporary Hospitality Management*, 30 (2), 702-719.
- Wegmann, A. (2018). Die Bedeutung der regionalen Produktherkunft beim Weinkauf, Dr. Kovac. Hamburg